GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2595
ANSWERED ON:15.12.2015
Procurement Process
Chautala Shri Dushyant

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to hand over all the procurement operations of wheat, paddy and rice to the States;
(b) if so, the details thereof and the reasons therefor; and
(c) the manner in which the Government proposes to meet its commitment towards food based welfare scheme?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) & (b): Government is encouraging the State Government to adopt decentralised procurement system for wheat, paddy and rice. Under Decentralized Procurement Scheme (DCP), food grains is procured and distributed by the State Governments themselves. Under this scheme, the designated DCP States procure, store and issue foodgrains under Targeted Public Distribution System (TPDS) and other welfare schemes of the Government of India. The decentralized system of procurement has the objectives to ensure that Minimum Support Price(MSP) is passed on to the farmers, to enhance the efficiency of procurement and to encourage procurement in non-traditional States, thereby extending the benefits of MSP to local farmers as well as to save on transit losses and costs. This also enables procurement of foodgrains more suited to local taste for distribution under the TPDS. Food Corporation of India (FCI) will accept only the surplus foodgrains after deducting the needs of the states, from these State Governments (not millers) which require to be moved to deficit states.
With a view to encouraging adoption of DCP system, FCI has organized workshops in non DCP/partially DCP states to highlight the advantages of DCP mode.
Detail list of DCP states is given in Annexure.
(c) In case of DCP states, State Governments procure foodgrains on behalf of Central Government. The procured foodgrains are distributed by them directly under TPDS and Welfare Schemes to the extent of allocation approved by the Central Government and surplus quantity, if any, is handed over to FCI. Any deficit is also met by FCI. Thus Government meets its commitment towards food based Welfare Scheme under DCP System.
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ANNEXURE
ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE UNSTARRED QUESTION NO 2595 DUE FOR ANSWER ON 15.12.2015 IN THE LOK SABHA
List of DCP States

S.No.	State/UT	DCP adopted for
1.	A&N Islands	Rice
2.	Bihar	Rice/Wheat
3.	Chhattisgarh	Rice/Wheat
4.	Gujarat	Wheat
5.	Karnataka	Rice
6.	Kerala	Rice
7.	Madhya Pradesh	Rice/Wheat
8.	Odisha	Rice
9.		

Tamil Nadu
Rice
10.
Uttarakhand
Rice/Wheat
11.
West Bengal
Rice/Wheat
12.
Punjab (for NFSA obligations)
Wheat
13.
Rajasthan (in Alwar District)
Wheat
14.
Andhra Pradesh
Rice
15.
Telengana
Rice
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